

1 AT&T SOUTH CAROLINA'S
2 SURREBUTTAL TESTIMONY OF P.L. (SCOT) FERGUSON
3 BEFORE THE PUBLIC SERVICE COMMISSION
4 OF SOUTH CAROLINA
5 DOCKET NO. 2007-215-C
6 AUGUST 6, 2007
7

8 Q. PLEASE STATE YOUR NAME, YOUR POSITION WITH AT&T, AND
9 YOUR BUSINESS ADDRESS.
10

11 A. My name is Scot Ferguson. I am employed by AT&T Wholesale as an Associate
12 Director in the Customer Care organization. My business address is 675 West
13 Peachtree Street, Atlanta, Georgia 30375.
14

15 Q. DID YOU PREVIOUSLY FILE TESTIMONY IN THIS DOCKET?
16

17 A. Yes. I filed Direct Testimony and six (6) exhibits on July 23, 2007.
18

19 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?
20

21 A. I will provide rebuttal testimony to various Sprint positions in this docket, as
22 presented by Sprint's witness, Mark G. Felton, in his rebuttal testimony filed July
23 30, 2007.

1 Q. IN HIS REBUTTAL TESTIMONY ON PAGE 3 (BEGINNING AT LINE 13),
2 SPRINT'S MR. FELTON TAKES ISSUE WITH YOUR DIRECT TESTIMONY
3 THAT SPRINT "STOPPED WORKING TOWARDS ENTERING INTO A
4 NEW NEGOTIATED INTERCONNECTION AGREEMENT." CAN YOU
5 ADDRESS THAT ASPECT OF MR. FELTON'S REBUTTAL TESTIMONY?

6
7 A. Yes. This appears to be a case in which Mr. Felton and I basically agree on most
8 of the facts. Not surprisingly, our main disagreement appears to be in the way we
9 view the practical effect of those facts.

10
11 AT&T and Sprint had been negotiating a successor interconnection agreement
12 since mid-2004, and the parties were well on the way to working out specific
13 language addressing the issues that were discussed during negotiations.¹ When
14 the merger commitment was announced, AT&T wanted to continue to finalize
15 that language and execute a successor agreement that was consistent with those
16 negotiations.

17
18 Sprint, on the other hand, did not want to continue finalizing language and
19 execute a successor agreement that was consistent with the negotiations. Instead,
20 upon announcement of the merger commitment, Sprint wanted to simply extend

¹ As AT&T's witness Scott McPhee explains in his Direct Testimony, AT&T's view is that the parties had reached agreement in principle on outstanding issues other than the Attachment 3 issue and that the parties had agreed upon the *concepts* under which the Parties would operate under Attachment 3. Sprint apparently has a different view.

1 the prior interconnection agreement. Mr. Felton appears to characterize this as
2 Sprint's willingness to continue negotiation of a "successor" interconnection
3 agreement.

4
5 AT&T does not agree with this characterization. Extending the prior agreement
6 and negotiating a new and updated successor agreement are, in AT&T's view,
7 two entirely different things. AT&T is not willing to extend the prior agreement
8 beyond December 31, 2007 (which, as explained in my Direct Testimony, is the
9 extension contemplated by the merger commitment), but as I presented in my
10 Direct Testimony, AT&T remains committed to continued negotiations with
11 Sprint so that the parties may reach accord over all provisions of their successor
12 interconnection agreement.

13
14 Q. ON PAGE 4, LINE 6 OF HIS REBUTTAL TESTIMONY, MR. FELTON
15 STATES THAT "AT&T DISENGAGED FROM SUBSTANTIVE
16 COMMUNICATIONS" AT SOME POINT PRIOR TO MARCH 20, 2007.
17 PLEASE ADDRESS THIS STATEMENT.

18
19 A. I do not agree with Mr. Felton's characterization. AT&T did not refuse to engage
20 in negotiations for a new negotiated successor agreement, and AT&T remains
21 willing to finalize negotiations for such an agreement. Even as Sprint changed its
22 direction to request the extension of its expired agreement, AT&T offered an
23 extension in accordance with its obligations under the relevant merger

1 commitment. AT&T did not agree to the longer extension of the expired
2 agreement that Sprint requested, and Sprint apparently views that decision as
3 AT&T's somehow "disengaging" from communications and negotiations. That is
4 simply not the case.

5
6 Q. DO YOU HAVE ANY FINAL COMMENTS RESPONSIVE TO MR.
7 FELTON'S REBUTTAL TESTIMONY FROM PAGES 9-14?

8
9 A. Yes. I reiterate AT&T's position as put forth in my Direct Testimony that the
10 disagreement between Sprint and AT&T is about the date from which the
11 agreement extension occurs.² Specifically, AT&T believes that the most recent
12 AT&T/Sprint amended agreement expired on December 31, 2004, and the parties
13 have operated under the terms of that amended agreement on a month-to-month
14 basis as allowed by provisions in that agreement. As I described in my Direct
15 Testimony, that provision was never intended as an 'evergreen' provision that
16 would allow the two parties to operate forever under an expired agreement.
17 Rather, it is – and always has been – a provision to allow the parties to continue
18 negotiating a new successor agreement to an expired agreement, and to prevent
19 disruption of service to a CLEC's end users.

20

² My surrebuttal testimony is subject to, and does not waive, the legal arguments set forth in AT&T's Motion to Dismiss that the Commission has voted to hold in abeyance.

1 Further, AT&T believes that the relevant merger commitment obligates AT&T to
2 extend the Sprint agreement for a period of three years from the amended
3 expiration date of December 31, 2004. AT&T has met that obligation by offering
4 to extend the agreement for three years, or until December 31, 2007. All other
5 points made by Mr. Felton aside, this is the heart of the matter, and Mr. Felton
6 and I agree that the parties simply disagree as to the date from which the merger
7 commitment provides that Sprint's prior agreement should be extended.

8
9 Q. DOES THAT CONCLUDE YOUR TESTIMONY?

10
11 A. Yes.

STATE OF SOUTH CAROLINA)
) CERTIFICATE OF SERVICE
COUNTY OF RICHLAND)

The undersigned, Nyla M. Laney, hereby certifies that she is employed by the Legal Department for AT&T South Carolina (“AT&T”) and that she has caused AT&T South Carolina’s Surrebuttal Testimony of P. L. (Scot) Ferguson in Docket No. 2007-215-C to be served upon the following on August 6, 2007.

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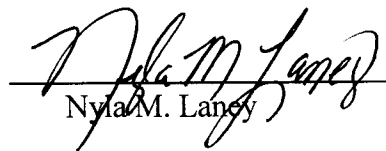
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